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Jocelyn Boyd
Chief Clerk and Administrator
Public Service Commission of South Carolina
101 Executive Center Dr., Suite 100
Columbia, SC 29210

Re: Docket No. 2010-51-E Residential Retrofit Pilot Program

Dear Ms. Boyd:

On February 24, 2010, in docket number 2010-51-E, the Commission approved the Company's Application seeking approval of its Residential Retrofit pilot program. The purpose of the pilot was to aid residential customers in assessing their energy usage, to provide recommendations for more efficient use of energy in their homes, and to encourage the installation of energy efficient improvements by offsetting a portion of the cost of implementing the recommendation from the assessment.

The Company launched the program in August 2010, targeting customers in Gaffney, Spartanburg and Greenville. The Company sent direct mail to over 5,000 customers in these cities, but only four customers completed the full program requirements by installing the recommended improvements in their home. The Company found that customers were reluctant to commit to a program without knowing in advance what incentive from the Company they would receive. Customers also wanted greater flexibility in selecting the installation contractor and measures to be installed.

Because the pilot was not successful, the Company now seeks to end the tariff, which is attached as Exhibit 1. The Company will use some of the lessons learned from the pilot to augment measures in other energy efficiency program offerings from the Company.

Please let me know if you have questions or comments about this matter.

Sincerely,

Timika Shafeek-Horton

TSH/gw

RESIDENTIAL RETROFIT PROGRAM (SC)
(PILOT)

PURPOSE

The purpose of this program is to aid residential customers in assessing their energy usage, to provide recommendations for more efficient use of energy in their homes, and to encourage the installation of the energy efficient improvement by offsetting a portion of the cost of implementing the recommendations from the assessment.

PROGRAM

- This program is available for up to 100 customers in owner-occupied single-family residences served on Duke Energy Carolinas' residential rate schedules from Duke Energy Carolinas' retail distribution system.
- The Company will solicit pilot participation from customers who have occupied the residence for a minimum of four (4) months. The Company reserves the right to limit participation in the pilot to residences that are more than twelve (12) months old.
- Participating customers will receive a structural assessment of their home to identify areas of possible energy loss and will be provided recommendations for thermal improvements to increase the home's efficiency.
- For customers who wish to implement the recommendations, the Company will pay the customer an incentive based on a percentage of the cost of the thermal improvements to the residence.
- The customer may pay a portion of the cost of the assessment, not to exceed \$300.00 which will be refunded if the recommended measures are installed.
- The maximum incentive under this program, including reimbursement for the assessment, is \$800.00.
- To receive payment for implementing the Company's recommendations, the work must be performed by a Duke Energy approved contractor.
- Energy efficiency measure incentives are not available under this program if the customer has previously received such an incentive for this or any other Duke Energy Carolinas Energy Efficiency Program.